

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

RUSTON, LOUISIANA

JUNE 30, 2007 AND 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/26/07

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

RUSTON, LOUISIANA

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August 7, 2007

The Board of Directors
Louisiana Tech University Foundation, Inc.
Ruston, Louisiana

Independent Auditors' Report

We have audited the accompanying statements of financial position of Louisiana Tech University Foundation, Inc. (a nonprofit organization) as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Tech University Foundation, Inc. as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2007, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The supplementary information included on Pages 13-26 is presented for purposes of additional analysis and is not a required part of the 2007 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2007 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2007 basic financial statements taken as a whole.

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LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2007 AND 2006

<u>A S S E T S</u>	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	3,874,667	6,248,983
Accounts receivable-Notes 10 and 13	1,463,465	985,701
Contributions receivable, net-Note 4	482,827	334,893
Accrued interest receivable	23,349	26,429
Investments-Note 2	21,688,984	18,465,519
Fixed assets, net-Notes 3, 6 and 8	6,398,476	5,892,763
Other assets	92,626	79,968
Restricted assets-investments-Note 2	<u>31,429,020</u>	<u>27,046,664</u>
Total assets	<u>65,453,414</u>	<u>59,080,920</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities:</u>		
Accounts payable	626,731	1,461,080
Accrued interest payable	13,038	19,558
Annuities liability-Note 12	189,454	157,236
Deferred revenue-Notes 10 and 13	495,936	602,839
Deferred compensation-Note 7	167,968	90,645
Notes payable-Note 5	1,050,000	1,125,000
Bonds payable-Notes 6 and 8	1,473,828	1,875,412
Due to Louisiana Tech University-Note 9	<u>30,115,002</u>	<u>26,564,273</u>
Total liabilities	34,131,957	31,896,043
<u>Net assets:</u>		
Unrestricted:		
Undesignated	597,375	1,404,335
Invested in capital assets, net of related debt	<u>3,874,648</u>	<u>2,892,351</u>
	4,472,023	4,296,686
Temporarily restricted-for specific purposes	10,408,493	9,687,580
Permanently restricted-endowment	<u>16,440,941</u>	<u>13,200,611</u>
Total net assets	<u>31,321,457</u>	<u>27,184,877</u>
Total liabilities and net assets	<u>65,453,414</u>	<u>59,080,920</u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenues, gains and other support:</u>				
Contributions	184,803	3,519,217	3,311,269	7,015,289
Contributed services	650,801	-	-	650,801
Interest and dividends income	240,067	518,885	119	759,071
Lease income	-	152,683	-	152,683
Service charges	781,240	13,831	-	795,071
Realized and unrealized gains (losses) on investments, net	176,142	1,128,527	(9,087)	1,295,582
Other	<u>773,876</u>	<u>1,862,357</u>	<u>111,065</u>	<u>2,747,298</u>
	2,806,929	7,195,500	3,413,366	13,415,795
 Net assets released from restrictions	<u>6,618,101</u>	<u>(6,474,587)</u>	<u>(143,514)</u>	<u>-</u>
Total revenues, gains and other support	9,425,030	720,913	3,269,852	13,415,795
 <u>Expenses:</u>				
Instructional support	1,009,240	-	-	1,009,240
Academic support	46,789	-	-	46,789
Research	11,178	-	-	11,178
Institutional support	2,216,764	-	-	2,216,764
Student financial aid	470,440	-	-	470,440
Student services	130,718	-	-	130,718
Auxiliary	3,111,234	-	-	3,111,234
General administrative services	1,098,795	-	-	1,098,795
Fundraising	<u>1,154,535</u>	<u>-</u>	<u>-</u>	<u>1,154,535</u>
Total expenses	9,249,693	-	-	9,249,693
 Assets dedicated to Louisiana Tech University, net	<u>-</u>	<u>-</u>	<u>29,522</u>	<u>29,522</u>
Change in net assets	175,337	720,913	3,240,330	4,136,580
 <u>Net assets, beginning of year</u>	<u>4,296,686</u>	<u>9,687,580</u>	<u>13,200,611</u>	<u>27,184,877</u>
 <u>Net assets-end of year</u>	<u>4,472,023</u>	<u>10,408,493</u>	<u>16,440,941</u>	<u>31,321,457</u>

See accompanying notes to financial statements.

2006			
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
197,231	5,502,668	1,929,895	7,629,794
581,932	-	-	581,932
38,258	599,026	89	637,373
151,228	-	-	151,228
616,955	-	-	616,955
(93,885)	427,402	(3,634)	329,883
<u>85,827</u>	<u>2,145,121</u>	<u>14,739</u>	<u>2,245,687</u>
1,577,546	8,674,217	1,941,089	12,192,852
<u>4,190,723</u>	<u>(4,113,889)</u>	<u>(76,834)</u>	<u>-</u>
5,768,269	4,560,328	1,864,255	12,192,852
678,389	-	-	678,389
10,286	-	-	10,286
11,977	-	-	11,977
1,271,971	-	-	1,271,971
393,367	-	-	393,367
57,772	-	-	57,772
1,350,011	-	-	1,350,011
1,087,724	-	-	1,087,724
<u>948,887</u>	<u>-</u>	<u>-</u>	<u>948,887</u>
5,810,384	-	-	5,810,384
-	-	(1,082,389)	(1,082,389)
(42,115)	4,560,328	781,866	5,300,079
<u>4,338,801</u>	<u>5,127,252</u>	<u>12,418,745</u>	<u>21,884,798</u>
<u>4,296,686</u>	<u>9,687,580</u>	<u>13,200,611</u>	<u>27,184,877</u>

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	4,136,580	5,300,079
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,011,401	934,475
Transfer of fixed assets	78,050	-
Net unrealized (gain) on long-term investments	(978,662)	(68,449)
Realized (gain) on sale of investments	(316,919)	(261,433)
Donated equipment and works of art included in contributions	-	(1,850,000)
<u>(Increase) decrease in assets:</u>		
Accounts receivable	(477,764)	11,017
Contributions receivable, net	(147,934)	(87,891)
Accrued interest receivable	3,080	145
Other assets	(12,658)	(5,067)
<u>Increase (decrease) in liabilities:</u>		
Accounts payable	85,651	78,196
Accrued interest payable	(6,520)	1,606
Annuities liability	32,218	13,459
Deferred revenue	(106,903)	(108,833)
Deferred compensation	77,323	62,012
Contributions restricted for long-term investment	<u>(3,311,269)</u>	<u>(1,929,895)</u>
Net cash provided by operating activities	65,674	2,089,421
<u>Cash flows from investing activities:</u>		
Purchases of fixed assets	(1,677,663)	(509,149)
Proceeds from sale of fixed assets	91,017	-
Purchases of investments	(4,610,702)	(4,908,409)
Proceeds on sale of investments	1,217,210	1,947,381
Increase in due to Louisiana Tech University	<u>625,463</u>	<u>1,468,644</u>
Net cash (used) by investing activities	(4,354,675)	(2,001,533)
<u>Cash flows from financing activities:</u>		
Contributions restricted for investment in endowment	3,311,269	1,929,895
Payments of notes payable	(75,000)	-
Payments of bonds payable	(401,584)	(379,487)
Increase (decrease) in payable-land purchase	<u>(920,000)</u>	<u>920,000</u>
Net cash provided by financing activities	<u>1,914,685</u>	<u>2,470,408</u>
<u>Increase (decrease) in cash and cash equivalents</u>	(2,374,316)	2,558,296
<u>Cash and cash equivalents-beginning of year</u>	<u>6,248,983</u>	<u>3,690,687</u>
<u>Cash and cash equivalents-end of year</u>	<u><u>3,874,667</u></u>	<u><u>6,248,983</u></u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

1. Organization and Summary of Significant Accounting Policies

a. *Organization*

The Louisiana Tech University Foundation, Inc. (the Foundation) was organized to solicit, receive, hold, invest and transfer funds for the benefit of Louisiana Tech University (Louisiana Tech University). Additionally, the Foundation assists Louisiana Tech University in meeting the criteria for accreditation as outlined by the Commission on Colleges for the Southern Association of Colleges and Schools. Louisiana Tech University and the Foundation are also in a management agreement related to endowed chairs and professorships. This agreement is in compliance with Board of Regents policy and allows the Foundation to manage funds on behalf of Louisiana Tech University. The Foundation is a separate legal entity and not included as part of the reporting entity of Louisiana Tech University.

b. *Basis of Financial Statements*

The Foundation maintains its accounts in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets and revenues, expenses, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. However, these assets may be designated by management for specific purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or passage of time. This classification includes gifts, annuities and unconditional promises to give for which the ultimate purpose of the proceeds is not permanently restricted.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all of, or part of, the income earned on the related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

1. Organization and Summary of Significant Accounting Policies (Continued)

c. *Net Assets Released from Restrictions*

Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

d. *Contributions*

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

e. *Investment Income*

Income and realized and unrealized net gains on investments of endowment and similar funds are reported as follows:

- as increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- as increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income;
- increases in unrestricted net assets in all other cases.

f. *Temporarily Restricted Net Assets*

With respect to temporarily restricted net assets, the Foundation has adopted the following accounting policies.

Contributions with Restrictions Met in the Same Year - Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of temporarily restricted net assets, and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

Release of Restrictions on Net Assets for Acquisition of Land, Building and Equipment - Contributions of land, building and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, building and equipment without such donor stipulations concerning the use of such long-lived assets are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

g. *Cash and Cash Equivalents*

Cash and cash equivalents principally include cash and money market investments not held by trustees. For purposes of the cash flow statement, all highly liquid instruments with original maturities of three months or less are considered cash equivalents.

1. Organization and Summary of Significant Accounting Policies (Continued)

h. In-Kind Gifts

Gifts of investments, real estate, and other property contributed to the Foundation are recorded at estimated fair value at date of contribution.

i. Accounts Receivable

Accounts receivable consists of amounts due from outside parties. Management evaluates the collectibility and aging of those accounts receivable in determining the need for an allowance for doubtful accounts.

j. Investments

Investments in marketable securities with readily determinable fair values are stated at fair value. Realized gains or losses on sales of investment securities are based upon the cost of the specific security sold. Unrealized gains and losses are included in the change in net assets.

k. Depreciation

Depreciation is provided on the straight-line method based on the estimated useful lives of the depreciable assets which range from two to thirty years.

l. Tax Status

The Foundation is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made; however, should the Foundation engage in activities unrelated to its exempt purpose, taxable income could result. The Foundation had no material unrelated business income for the fiscal years audited.

m. Funds Functioning as Endowment

The Foundation has designated funds for which the income earned is designated for specific uses. Because there is no donor-imposed restriction, these funds are classified as unrestricted net assets; however, the Foundation restricts the use of the funds in the same manner as a donor would by creating an endowment.

n. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

2. Investments

Fair values and unrealized appreciation of investments at June 30, 2007 and 2006 are summarized as follows:

	2007			2006		
	Cost	Fair Value	Unrealized Appreciation/Depreciation	Cost	Fair Value	Unrealized Appreciation/Depreciation
Held by investment custodians:						
Cash and cash equivalents	2,704,152	2,704,152	-	4,205,112	4,205,112	-
Certificates of deposit	955,000	951,824	(3,176)	285,000	285,000	-
Mutual funds	16,736,969	19,350,911	2,613,942	10,122,013	11,211,907	1,089,894

2. Investments (Continued)

	2007			2006		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/Depreciation</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/Depreciation</u>
Government obligations and corporate bonds	13,269,579	13,133,982	(135,597)	13,968,121	13,612,542	(355,579)
Common stocks	9,705,772	12,080,673	2,374,901	11,737,102	12,841,897	1,104,795
Real estate held by the Foundation	<u>4,750,165</u>	<u>4,848,892</u>	<u>98,727</u>	<u>3,191,636</u>	<u>3,290,363</u>	<u>98,727</u>
	48,121,637	53,070,434	4,948,797	43,508,984	45,446,821	1,937,837
Accrued interest included in restricted investments	<u>47,570</u>	<u>47,570</u>	<u>-</u>	<u>65,362</u>	<u>65,362</u>	<u>-</u>
	<u>48,169,207</u>	<u>53,118,004</u>	<u>4,948,797</u>	<u>43,574,346</u>	<u>45,512,183</u>	<u>1,937,837</u>
Included on the Statement of Financial Position:						
Investments	19,945,844	21,688,984	1,743,140	17,490,626	18,465,519	974,893
Restricted assets-investments	<u>28,223,363</u>	<u>31,429,020</u>	<u>3,205,657</u>	<u>26,083,720</u>	<u>27,046,664</u>	<u>962,944</u>
	<u>48,169,207</u>	<u>53,118,004</u>	<u>4,948,797</u>	<u>43,574,346</u>	<u>45,512,183</u>	<u>1,937,837</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2007 and 2006:

	2007			2006		
	<u>Unrestricted</u>	<u>Temporarily and Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily and Permanently Restricted</u>	<u>Total</u>
Interest income	240,067	519,004	759,071	38,258	599,115	637,373
Net realized and unrealized gains	<u>176,142</u>	<u>1,119,439</u>	<u>1,295,581</u>	<u>(93,885)</u>	<u>423,768</u>	<u>329,883</u>
Total investment return	<u>416,209</u>	<u>1,638,443</u>	<u>2,054,652</u>	<u>(55,627)</u>	<u>1,022,883</u>	<u>967,256</u>

Of the bank balances, those funds not covered by federal deposit insurance were covered by collateral held by the pledging banks' trust department.

3. Fixed Assets

A summary of the fixed assets at June 30, 2007 and 2006 follows:

	<u>Depreciable Lives</u>	<u>2007</u>	<u>2006</u>
Automobiles	2-3	126,193	121,426
Furniture, fixtures and equipment	3-10	4,058,549	3,646,241
Engineering equipment	3-10	666,682	666,682
Real estate and other	-	199,858	136,557
* Leasehold improvements	30	4,161,554	4,161,554
** Construction in progress		<u>1,004,328</u>	<u>-</u>
		10,217,164	8,732,460
Less-accumulated depreciation		<u>(3,818,688)</u>	<u>(2,839,697)</u>
		<u>6,398,476</u>	<u>5,892,763</u>

Depreciation of \$332,736 and \$255,810 was recorded for the years ended June 30, 2007 and 2006, respectively.

3. Fixed Assets (Continued)

* Leasehold improvements consists of the renovations to Tolliver Hall and the Ropp Center. Renovations were completed on April 1, 2004, and will be donated to Louisiana Tech University at the time the bonds are paid. Refer to Notes 6 and 8. Amortization of leasehold improvements was \$678,665 for the years ended June 30, 2007 and 2006.

** Construction in progress consists of renovations to the CAB building and the engineering TTC building. Renovations should be completed in the fiscal year 2008.

4. Contributions Receivable

Contributions receivable, net, is summarized as follows as of June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Unconditional pledges expected to be collected in:		
Less than one year	211,939	118,408
One year to five years	322,886	236,292
More than five years	<u>2,500</u>	<u>12,500</u>
	537,325	367,200
 <u>Less-discount on future contributions receivable</u> (discount rate of 4.99% and 5.15% in 2007 and 2006, respectively)	 (25,254)	 (25,563)
 <u>Less-allowance for uncollectible contributions</u> receivable	 <u>(29,244)</u>	 <u>(6,744)</u>
Contributions receivable, net	<u>482,827</u>	<u>334,893</u>

5. Notes Payable

Notes payable consist of the following at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Notes payable to bank at floating rate, secured by depository accounts, due March 2018	<u>1,050,000</u>	<u>1,125,000</u>

Two notes payable to a bank originally issued for \$750,000 each were issued to fund the improvements to the Louisiana Tech University Athletic Fieldhouse. These notes were refinanced in March of 2002, and again in March 2006. The interest rate for the new note is floating at 1% under the bank's Financial Corporation Commercial Base Rate – Daily (the Index). The rate for the note was 7.25% at June 30, 2007.

Under the terms of the note, the Foundation is required to comply with restrictive covenants related to its financial records, financial statements, insurance and additional information.

Aggregate principal payments required on the note payable are as follows:

5. **Notes Payable** (Continued)

Year Ending June 30:

2008	75,000
2009	75,000
2010	75,000
2011	75,000
2012	75,000
2013 and thereafter	<u>675,000</u>
	<u>1,050,000</u>

Interest paid for the years ended June 30, 2007 and 2006 was \$81,139 and \$71,828, respectively.

6. **Bonds Payable**

Bonds payable at June 30, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Revenue bonds payable at 5.7%, due in quarterly installments through August 15, 2010	<u>1,473,828</u>	<u>1,875,412</u>

In August 2000, the Foundation issued \$3,791,183 in revenue bonds to fund renovations to Tolliver Hall and the Ropp Center as required under the lease agreement with Aramark described in Note 8. The bonds were issued with a 10-year term at an interest rate of 5.7% and with payments of \$125,000 due quarterly.

Maturities of the revenue bonds, by year, at June 30, 2007 are as follows:

Year Ending June 30:

2008	424,968
2009	449,714
2010	475,901
2011	123,245
2012	-
	<u>1,473,828</u>

Interest paid for the years ended June 30, 2007 and 2006 on the revenue bonds was \$98,416 and \$120,513, respectively. Amounts capitalized related to this interest for the years ended June 30, 2007 and 2006, were \$-0-.

7. **Deferred Compensation**

The Foundation provides additional compensation to the President of Louisiana Tech University. Pursuant to an agreement between the Foundation and the President, such compensation is being deferred. The deferred compensation is deposited by the Foundation in a trust for the President's benefit. At January 1, 2005, the balance of the deferred compensation was paid to the President according to the terms of the agreement, and a new agreement became effective with generally the same terms as the old agreement. Total deferred compensation at June 30, 2007 and 2006 was \$167,968 and \$90,645, respectively.

8. Lease Agreement

During fiscal 2000, Louisiana Tech University entered into a lease agreement with Aramark for Tolliver Hall and the Ropp Center in connection with providing food services on campus. As a condition of this agreement, Louisiana Tech University required Aramark to enter into a sublease for the facilities with the Foundation. As a result, the Foundation entered into an agreement with Aramark to lease Tolliver Hall and the Ropp Center from Aramark for the purpose of renovating the structures. Upon completion, the sublease was terminated, and the improvements will be gifted back to Louisiana Tech University by the Foundation once the bonds (refer to Note 6) are paid in full. Notwithstanding the term of the lease agreement between the Foundation and Aramark, Aramark will pay the Foundation \$500,000 per year for ten years to defray the costs of constructing the improvements. No lease payments are required to be paid by the Foundation, but the Foundation was required to construct the improvements of Tolliver Hall and the Ropp Center in accordance with building standards satisfactory to Aramark and Louisiana Tech University. For the years ended June 30, 2007 and 2006, the annual payments of \$500,000 have been recorded as temporarily restricted other revenue. Future minimum payments from Aramark are \$500,000 annually for June 30, 2007 through June 30, 2009.

9. Transactions with Louisiana Tech University

Louisiana Tech University provides to the Foundation, without cost, services for the administration of the Foundation in the form of personnel. In addition, Louisiana Tech University provides, without cost, certain other operating services associated with the Foundation. These services are valued at their actual cost to Louisiana Tech University. For the year ended June 30, 2007, contributed personnel costs and operating services were determined to be \$648,274 and \$2,527, respectively. For the year ended June 30, 2006, contributed personnel costs and operating services were determined to be \$579,529 and \$2,403, respectively. The amounts for these services have been reflected as contributed services revenue and corresponding general administrative services and fundraising expenses in the accompanying financial statements.

For the years ended June 30, 2007 and 2006, expenses totaling approximately \$3,451,666 and \$1,997,612, respectively, were paid directly to or for the benefit of Louisiana Tech University.

Funds administered by the Foundation on behalf of Louisiana Tech University are not commingled with funds belonging to the Foundation. Classified as amounts due to Louisiana Tech University at June 30, 2007 and 2006 is \$30,115,002 and \$26,564,273, respectively, related to certain endowed chairs and professorships matched by the State of Louisiana. Initially, the donor portion of these funds is recorded as contributions to the Foundation. Once the state matching is received, the donor portion is deducted from the permanently restricted, temporarily restricted, and unrestricted net assets of the Foundation and reflected as due to Louisiana Tech University.

The Foundation has leases with Louisiana Tech University to provide parking for the campus. For the years ended June 30, 2007 and 2006, total lease income of \$152,683 and \$151,228 was received by the Foundation. Future minimum payments due from Louisiana Tech University are as follows:

Year Ending June 30:

2008	73,549
2009	5,400
2010	-
2011	-
2012	-
Thereafter	-

9. Transactions with Louisiana Tech University (Continued)

Various other services and facilities are contributed to the Foundation, the values of which are not readily determinable and, therefore, are not reflected as contributions or expenses in the accompanying financial statements.

10. Deferred Revenue

During fiscal 2000, the Foundation entered into an agreement with MBNA America Bank, N.A. (MBNA) for MBNA to provide financial service products to Louisiana Tech University undergraduate students, graduate students, alumni, and/or other potential participants. This agreement expired on April 30, 2005, and a new agreement became effective. Per the terms of the new agreement, MBNA guarantees royalties paid to the Foundation will be equal to or greater than \$600,000 by the end of the full term of the new agreement expiring on April 30, 2012.

A payment of \$83,333 was received under the agreement for the fiscal year ended June 30, 2006, and \$83,333 was received for the fiscal year ended June 30, 2007.

Unrestricted revenue of \$85,714 and \$85,714 was recognized for the fiscal years ended June 30, 2007 and 2006. At June 30, 2007 and 2006, accounts receivable totaling \$333,333 and \$416,667, respectively, and deferred revenue of \$414,286 and \$500,000, respectively, were recorded related to this agreement.

11. Commitments

As of June 30, 2007 and 2006, there was approximately \$194,392 and \$184,567, respectively, in awarded but unpaid scholarships, which were funded subsequent to year-end.

12. Annuities Liability

The Foundation receives donations through split-interest agreements with contributors. These split-interest agreements specify that the donation is made in return for an individual or joint annuity for the remaining lives of the contributors. The difference between the fair market value of the assets received and liability under the annuity is recognized as revenue in the year received. Upon the death of the contributor, the remaining liability, if any, is recognized as revenue. The Foundation has received four donations under such agreements that result in an annuities liability totaling \$189,454 and \$157,236 at June 30, 2007 and 2006, respectively. The liabilities were calculated using discount rates of 8.0%, 4.9%, 5.0%, and 6.0%.

13. Lease Purchase

During fiscal 2005, the Foundation entered into an agreement to lease property located at 509 West Alabama Avenue, Ruston, Louisiana, (library building) with option to purchase with the Board of Supervisors for the University of Louisiana System for the benefit of Louisiana Tech University. According to the terms of the lease purchase, the Board initially paid \$50,000 in fiscal year 2005, with payments of \$50,692 due annually for nine years beginning February 1, 2006. At June 30, 2007 and 2006, accounts receivable totaling \$354,845 and \$405,537 and deferred revenue totaling \$79,720 and \$102,839 were recorded related to this agreement.

14. Subsequent Events

On May 5, 2007, the Foundation entered into an agreement to buy property in Ruston, Louisiana for a purchase price of \$250,000. The sale shall be consummated not later than September 1, 2007.

On July 20, 2007, the Board of Regents awarded a \$400,000 match for an endowed chair which was established prior to June 30, 2007. This represents the state match for this chair from the FY 2006-2007 Louisiana Educational Quality Support Fund and/or supplemental funding received in the 2007 Legislative Session.

SUPPLEMENTARY INFORMATION

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
Schedule of Investments
6/30/2007

Description	Shares or Units	Cost Basis	Fair Value
Cash and cash equivalents			
Cash		2,280	2,280
Federated Govt Obl IS Fund 5	248,857	248,856	248,856
PIF Temp Dollar Fd #24	448,741	448,741	448,741
PIF Temp Dollar Fd #24	93,014	93,015	93,015
PIF Temp Dollar Fd #20	24	24	24
PIF Temp Dollar Fd #20	1,331	1,331	1,331
PIF Temp Dollar Fd #20	8,128	8,128	8,128
PIF Temp Dollar Fd #20	18,093	18,093	18,093
PIF Temp Dollar Fd #20	63,906	63,906	63,906
PIF Temp Dollar Fd #20	7,623	7,623	7,623
PIF Temp Dollar Fd #20	28,108	28,108	28,108
Gibbsland Bank CD #6405 4.300%, 08/06/07	10,000	10,000	10,000
Gibbsland Bank CD #5440 4.200%, 08/14/07	10,000	10,000	10,000
Gibbsland Bank CD #6081 4.300%, 09/07/07	10,000	10,000	10,000
JPMorgan US Treas Plus MMKT Investor	11,264	11,264	11,264
PIF Temp Dollar Fd #24	253,440	253,440	253,440
PIF Temp Dollar Fd #24	578,107	578,107	578,107
Federated Govt Obl Fund 05	161,440	161,440	161,440
Cash	-968	(968)	(968)
JPMorgan Prime Money Mkt Fd Instl Cl	20,601	20,601	20,601
Cash	6,425	6,425	6,425
Centennial Money Mkt Tr	228,746	228,746	228,746
PIF Temp Dollar Fd #20	9,159	9,159	9,159
JPM US Treas Plus MMKT Fd 3126	225,646	225,646	225,646
Cash	1	1	1
Edward Jones Investments	1,021	1,021	1,021
		<u>2,444,987</u>	<u>2,444,987</u>

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value	
Certificates of deposit				
Discover Bk 5.300%, 5/21/08	100,000	100,000	99,790	2
Metropolitan Natl Bk 5.150%, 02/23/10	100,000	100,000	99,024	2
United Bk Mich 5.150%, 2/23/09	100,000	100,000	99,375	2
BancorpSouth CD #11116354 5.28%,	100000	100,000	100,000	3
CTB CD #859173 5.250%, 02/12/09	100000	100,000	100,000	3
CTB CD #859135 5.250%, 02/12/10	100000	100,000	100,000	3
Gibbsland Bank CD #6154 4.300%, 12/01/07	10,000	10,000	10,000	6
Gibbsland Bank CD #6245 4.250%, 07/05/08	10,000	10,000	10,000	6
Gibbsland Bank CD #5282 5.25%, 10/08/07	100,000	100,000	100,000	7
Gibbsland Bank CD #6246 4.250%, 07/05/08	10,000	10,000	10,000	7
Gibbsland Bank CD #4974 4.40%, 06/15/08	25,000	25,000	25,000	7
Gibbsland Bank CD #6015 4.700%, 12/09/07	15,000	15,000	15,000	8
Gibbsland Bank CD #4975 4.400%, 06/15/08	25,000	25,000	25,000	8
Gibbsland Bank, 4.60%, 03/26/2008	20,000	20,000	20,000	10
Gibbsland Bank, 4.60%, 05/30/2008	20,000	20,000	20,000	10
Gibbsland Bank, 4.60%, 05/31/2008	20,000	20,000	20,000	10
Discover Bank CD 5.300%, 03/07/12	100,000	100,000	98,635	10
		955,000	951,824	

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value	
			Units	Value
Mutual funds				
JPMorgan Core Bond Fund	303094	3,178,988	3,167,336	1
JPMorgan International Equity Fund	13316	474,163	541,290	1
JPMorgan Intrepid America Fund	53834	1,379,222	1,604,247	1
JPMorgan Equity Index Fund	21759	633,919	743,283	1
JPMorgan Market Expansion Index Fund	34649	420,191	471,572	1
American Cent Small Co	10734	91,779	115,609	2
Fidelity Adv Divers Intl Fund	6644	133,742	167,767	2
MFS Intl New Discovery Fund	2551	65,382	77,692	2
RMK Sel Mid Cap Growth Fd	11073	157,260	195,101	2
Loomis Sayles Bond Instl FD# 1162	1526,718	20,000	22,076	3
PIMCO Developing Local Markets #1872	4558,541	47,500	50,372	3
Vanguard Inter-Term Tr Fd #535	9250,694	100,000	98,057	3
MFS Charter Income Tr	5000	43,845	42,360	3
MFS Intermediate Income Trust	12000	76,536	72,600	3
Fidelity Convertible Sec Fd #308	6003,274	101,070	175,055	3
UBS AG EAS	10000	100,000	111,300	3
UBS Enhanced Appreciation Sec	10000	100,000	108,700	3
Dodge & Cox International Stock Fund	4280,661	158,000	209,324	3
MFS Emerging Equity I Fund #885	1785,219	23,975	77,568	3
JPMorgan Asia Equity Fund	106,239	2,962	3,804	9
JPMorgan Diversified Mid Cap Growth	132,533	3,351	3,459	9
JPMorgan Diversified Mid Cap Value	211,710	3,532	3,337	9
JPMorgan Emerging Mkts Equity FD	168,435	2,029	3,633	9
JPMorgan Highbridge Stat Mkt Neut Fd	471,868	7,498	7,772	9
JPMorgan International Equity Fund	83,745	2,891	3,404	9
JPMorgan International Equity Index	168,089	4,009	5,256	9
JPMorgan International Value Fund	440,830	7,324	8,733	9
JPMorgan Intrepid America Fund	565,520	14,389	16,853	9
JPMorgan Intrepid Growth Fd Select	417,220	9,858	10,280	9
JPMorgan Intrepid Intl FD Select CL	333,641	7,112	8,645	9
JPMorgan Large Cap Growth Fund	277,359	4,157	5,120	9

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value
JPMorgan Large Cap Value Fund	185,642	3,025	3,414
JPMorgan Multi-Cap Market Neutral Fd	675,061	7,396	7,635
JPMorgan Small Cap Growth Fund	278,854	3,310	3,452
JPMorgan Small Cap Value Fund	132,111	3,258	3,348
JPMorgan US Equity Fund	913,285	10,447	11,270
JPMorgan US Large Cap Core Plus Sel	548,250	10,668	11,508
JPMorgan US Real Estate Fund	329,336	7,210	6,880
JPMorgan Bond Fund Select Class (JBSEX)	1,406,870	13,097	12,830
JPMorgan High Yield Bond Fund Select Class	362,425	3,012	3,084
JPMorgan Short Term Bond Fund Select Class	1,371,480	13,083	12,987
Loomis Sayles Bond Instl Fd#1162	11,961,722	150,000	172,967
Vanguard Inter-Term Tr Fd #535	46,253,469	500,000	490,287
PIMCO Developing Local Markets #1872	9,117,083	95,000	100,743
MFS Intermediate Income Trust	15,000,000	99,035	90,750
UBS Barrier Note Linked to S & P 500	30,000,000	300,000	295,500
UBS EAS Linked to S&P 500 Index 8/31/07	10,000,000	100,000	113,100
UBS Enhanced Appreciation Sec 10/31/07	15,000,000	150,000	163,050
UBS Rtn Optmz Sec Linked S&P 500 8/28/08	40,000,000	400,000	400,000
Dodge & Cox International Stock Fund	7,282,633	252,000	356,121
MFS Emerging Equity I Fd#885	3,156,330	66,567	137,142
American Cent Small Co Fund Inv 985	20,930,233	180,000	225,419
Fidelity Adv Divers Intl Fund CL A	15,729,835	281,517	397,178
MFS Intl New Discovery Fund Cl A 074	4,860,464	93,272	148,049
RMK Sel Mid Cap Growth Fd CL A	26,214,766	425,000	461,904
JPMorgan Equity Index	39,669,444	1,113,125	1,355,108
JPMorgan International Equity Fund	34,457,481	1,040,521	1,400,697
JPMorgan Intrepid America Fund	114,667,505	2,761,194	3,417,092
JP Morgan Intrepid Mid Cap Fd	49,637,196	918,529	947,574
JPMorgan Small Cap Growth Fd Instl	16,628,878	128,541	206,531
JPMorgan Small Cap Value Fund	8,638,749	188,152	218,820
PIMCO Total Return Fund #35	1,363,689	14,196	13,855
Vanguard Short Term Gov't Fd #49	1,375,581	14,196	14,086

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value	
			Value	Units
Vanguard Short Term Investment Grade	1,608.886	16,934	16,925	14
		<u>16,736,969</u>	<u>19,350,911</u>	

Government obligations and corporate bonds

U.S. T-Notes 6.125%, 08/15/07	50,000	49,500	50,082	2
FHLMC 4.000%, 08/17/07	150,000	149,442	149,719	2
FHLB 5.425%, 09/24/08	100,000	99,226	100,219	2
FHLB 5.085%, 10/01/08	100,000	97,120	99,813	2
U.S. Treasury Notes 4.75%, 11/15/08	150,000	135,563	149,567	2
FNMA 3.250%, 02/15/09	100,000	99,399	97,000	2
U.S. Treasury Notes 5.500%, 05/15/09	50,000	48,742	50,547	2
FNMA 3.875%, 02/15/10	100,000	96,195	96,922	2
FHLB 4.100%, 03/18/10	200,000	192,757	194,563	2
FHLMC 5.25%, 7/18/11	100,000	100,269	100,094	2
FHLMC 5.125%, 7/15/12	100,000	100,097	99,547	2
FNMA 4.125%, 04/15/14	100,000	94,057	93,094	2
U.S. Treasury Notes 4.875%, 08/15/16	150,000	150,797	148,206	2
FHLMC 5.000%, 12/15/28	100,000	99,188	97,448	2
Toyota Mtr Crd Corp 5.500%, 9/22/06	50,000	50,295	49,776	2
U.S. Treasury Notes 5.625%, 05/15/08	400,000	406,750	402,000	3
U.S. Treasury Notes 5.50%, 05/15/09	350,000	358,203	353,719	3
FHLB Call 5.630%, 12/26/13	100,000	100,000	98,906	3
FNMA Step 5.000%, 08/10/15	100,000	100,000	98,531	3
FHLB 6.000%, 08/11/16	150,000	150,112	149,072	3
BellSouth Cap 7.75%, 02/15/10	30,000	34,811	31,601	10
Citigroup Inc 6.00%, 02/21/12	55,000	59,466	56,026	10
Comcast Cable 6.20%, 11/15/08	15,000	16,120	15,119	10
GECC 3.50%, 05/01/08	100,000	98,076	98,533	10
Lehman Bros Hldg 4.375%, 11/30/10	100,000	96,565	96,372	10
Morgan Stanley Co 6.75%, 04/15/11	75,000	83,018	77,762	10
Natl Rural Util 5.70%, 01/15/10	35,000	37,314	35,225	10

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
Schedule of Investments
6/30/2007

Description	Shares or Units	Cost Basis	Fair Value
Toyota Mir Crd Corp 5.500%, 09/22/11	100,000	100,590	99,551
Wachovia Corporation 3.50%, 08/13/08	35,000	34,559	34,273
Hewlett Packard 5.50%; 07/01/07	15,000	14,970	15,000
U.S. Treasury Bond 7.25%, 05/15/16	120,000	146,100	138,675
FHLB Calla 3.35%, 09/14/07	250,000	250,000	248,984
FNMA Step 4.00%, 09/20/07	100,000	100,000	99,688
FNMA Step 4.50%, 05/27/09	200,000	200,000	199,438
FHLMC Step 5.000%, 07/29/09	200,000	200,000	199,963
FHLB 5.500%, 09/15/09	150,000	150,000	149,906
FHLB Step 4.00%, 03/16/10	150,000	150,000	149,578
FNMA 5.00%, 08/24/10	200,000	200,000	197,875
FHLMC Multiclass 6.00%, 06/15/11	22,955	23,644	22,954
FHLB Step 4.25%, 01/27/12	250,000	250,000	249,375
FNMA Calla 5.00%, 02/27/13	150,000	150,000	146,109
FHLMC Gold 7.50%, 09/01/15	5,774	6,005	5,983
FNMA Pool #553600 7.00%, 10/01/15	8,517	8,794	8,770
FHLMC Gold E81611 7.50%, 11/01/15	11,315	11,796	11,725
Federal Home Loan Bank	100,000	100,075	99,381
FHLMC Pool #C4-2335 7.50%, 09/01/30	3,025	3,176	3,157
FHLMC 4.000%, 08/17/07	100,000	99,628	99,813
FNMA 4.250%, 09/15/07	150,000	149,403	149,648
FHLMC 5.00%, 02/08/08	100,000	99,825	99,772
FHLMC 5.050%, 02/22/08	100,000	99,863	99,793
U.S. T-Notes 4.75%, 11/15/08	150,000	158,297	149,567
U S T-Note 4.875%, 05/15/09	200,000	201,172	199,969
FNMA 3.875%, 02/15/10	100,000	99,376	96,922
FHLB 4.375%, 03/17/10	100,000	99,790	98,094
FHLMC 4.750%, 01/18/11	150,000	147,973	147,914
FHLB 4.400%, 03/24/11	100,000	96,752	97,141
FHLMC 5.250%, 07/18/11	200,000	200,538	200,188
FHLMC 5.125%, 07/15/12	100,000	100,097	99,547
FHLMC 4.500%, 01/15/14	250,000	245,160	238,595

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or		Cost	Fair
	Units	Basis		Value
U S T-Note 4.250%, 08/15/14	250,000	244,873	239,219	10
FHLMC #E00926 6.50%, 10/01/15	7,778	8,247	7,951	10
U S T-Note 4.875%, 08/15/16	250,000	251,328	247,011	10
FNCI #357328 5.00%, 01/01/18	87,940	92,116	85,300	10
FHLMC CMO 5.000%, 12/15/28	100,000	99,188	97,448	10
JPMorgan Core Bond Fund Ultra Class	520,291	5,500,000	5,437,042	10
FHLMC 4.250%, 11/15/10	25,000	25,000	24,238	14
FHLMC Step 3.500%, 04/15/11	25,000	23,831	24,470	14
FHLMC Step 4.00%, 09/17/12	25,000	24,331	24,492	14
		<u>13,269,579</u>	<u>13,133,982</u>	

Common stocks

Royal Caribbean Cruises Ltd	850	34,867	36,533	2
AFLAC Inc.	450	11,813	23,130	2
Abbott Laboratories	700	28,431	37,485	2
Allergan Inc	300	17,079	17,292	2
Altria Group Inc	450	18,545	31,563	2
American Express Co	450	21,250	27,531	2
American International Group, Inc.	350	21,527	24,511	2
Ameriprise Finl Inc	390	15,540	24,792	2
Bank Amer Corp	600	22,770	29,334	2
Bank New York Inc	600	26,070	24,864	2
CVS/Caremark Corporation	1,601	34,616	58,356	2
Caterpillar Inc	500	17,910	39,150	2
Cisco Systems, Inc.	1,000	18,269	27,850	2
Colgate Palmolive Co	200	13,618	12,970	2
Conoco/Phillips	500	16,067	39,250	2
Costco Whsl Corp	200	11,450	11,704	2
Devon Energy Corp	350	21,926	27,402	2
Donnelley R R & Sons Co	950	36,433	41,335	2
Emerson Electric Co	400	12,765	18,720	2
Exelon Corp	550	31,433	39,930	2

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value	
Exxon Mobil Corp.	865	41,825	72,556	2
First Data Corp	700	16,813	22,869	2
Franklin Res Inc	300	21,763	39,741	2
Freeport-McMoran Copper & Gold Inc	201	12,380	16,647	2
Genentech Inc	200	17,412	15,132	2
General Electric Company	1,000	28,430	38,280	2
General Mills, Inc.	350	16,061	20,447	2
Goldman Sachs Group Inc	150	16,047	32,513	2
Hewlett Packard Co	550	12,533	24,541	2
Intel Corp.	1,640	32,104	38,933	2
Johnson & Johnson	550	25,787	33,891	2
Kraft Foods Inc	311	5,797	10,963	2
Lam Research Corp	400	18,128	20,560	2
Lilly Eli & Co	450	28,203	25,146	2
Lockheed Martin Corp	200	17,536	18,826	2
Lowes Cos Inc	1,400	25,546	42,966	2
Marathon Oil Corp	700	27,506	41,972	2
Medtronic Inc	500	23,705	25,930	2
Merrill Lynch & Co Inc	300	28,173	25,074	2
Microsoft Corp.	1,400	45,138	41,258	2
Network Appliance Inc	900	36,063	26,271	2
Newmont Mining Corp	300	13,875	11,718	2
Nike Inc	700	36,883	40,803	2
Nokia Corp	850	15,785	23,893	2
Northrop Grumman Corp	300	17,376	23,361	2
Pepsico Inc.	600	27,384	38,910	2
Procter & Gamble Co	550	27,502	33,654	2
Prudential Finl Inc	200	15,130	19,446	2
Qualcomm Inc.	350	17,083	15,187	2
Quest Diagnostics Inc	200	11,474	10,330	2
Schlumberger Ltd	350	22,012	29,729	2
Smith Intl Inc	450	5,753	26,388	2

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value	
Staples Inc	650	15,275	15,425	2
Stryker Corp	550	34,198	34,700	2
Target Corp	600	30,876	38,160	2
United Technologies Corp	500	33,535	35,465	2
V F Corp	550	30,574	50,369	2
Valero Refng & Mktg Co	250	14,338	18,465	2
Verizon Communications	400	14,938	16,468	2
Vulcan Materials Co	250	19,376	28,635	2
Wachovia Corp	600	33,822	30,750	2
Wells Fargo & Co	1,200	28,758	42,204	2
Wyeth	350	11,900	20,069	2
AFLAC Inc.	1,400	62,171	71,960	3
American International Group, Inc.	1,210	73,531	84,736	3
Apache Corporation	440	30,723	35,900	3
Boeing Co	500	28,938	48,080	3
Caterpillar Inc	1,110	70,673	86,913	3
Chevron Texaco Corp	540	28,871	45,490	3
Cisco Systems Inc	3,210	60,721	89,399	3
Citigroup Inc	1,590	51,873	81,551	3
Comcast Corp	3,030	58,907	85,204	3
Conoco Phillips	780	21,790	61,230	3
Ebay Incorporated	2,160	53,372	69,509	3
Electronic Arts Com	1,150	53,884	54,418	3
Exxon Mobil Corp	930	57,442	78,008	3
Genentech Inc	640	48,916	48,422	3
General Electric Company	2,110	63,387	80,771	3
Google Inc	105	40,127	54,884	3
Johnson & Johnson	1,310	69,662	80,722	3
Kellogg Co	930	46,517	48,165	3
Level 3 Comm	15,070	28,232	88,160	3
Medtronic Inc.	1000	47,351	51,860	3
Microsoft Corp.	2,170	47,000	63,950	3

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value
Procter & Gamble Co	1,260	71,571	77,099
Qualcomm Inc	1,720	65,077	74,631
Wellpoint Inc	500	40,665	39,915
Yahoo Inc	1,140	29,219	30,928
ADR Sanofi-Aventis Spons	1,790	73,534	72,083
Alcatel-Lucent	3,000	39,607	42,000
America Movil-Series L	950	28,528	58,833
Barclays PLC ADR	500	30,887	27,895
Glaxo Smith Kline	1,310	71,078	68,605
Nestle S.A. ADR	540	40,785	51,330
Nokia Corp	3520	45,666	98,947
AFLAC Inc	2,490	108,981	127,986
American International Group Inc	1,950	125,171	136,559
Apache Corporation	880	61,446	71,799
Boeing Co	890	51,502	85,582
Caterpillar Inc	2,070	132,034	162,081
Chevron Texaco Corp	1,170	66,963	98,561
Cisco Sys Inc	6,760	135,564	188,266
Citigroup Inc	2,860	135,658	146,689
Comcast Corporation	6,060	166,999	170,407
Ebay Incorporated	4,390	111,631	141,270
Electronic Arts Com	2,170	102,056	102,684
Exxon Mobil Corp	1,670	103,343	140,080
Genentech Inc Com Stk	1,360	103,938	102,898
General Elec Co	3,670	114,049	140,488
Google Inc Cl A	200	76,425	104,540
Johnson & Johnson	2,360	135,353	145,423
Kellogg Co	1,900	95,025	98,401
Level 3 Comm	33,450	85,760	195,683
Medtronic Inc	2,710	135,995	140,541
Microsoft Corp	4,350	110,840	128,195
Procter & Gamble Co	2,260	128,922	138,289

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value	
Qualcomm Inc	3,390	128,227	147,092	10
Schlumberger Ltd	1,000	60,660	84,940	10
Wellpoint Inc Com	1,050	85,388	83,822	10
Yahoo Inc	2,460	63,278	66,740	10
ADR Sanofi-Aventis Spons	3,570	148,814	143,764	10
Alcatel-Lucent	6,500	85,806	91,000	10
America Movil SAB De CV	1,720	51,645	106,520	10
Barclays PLC ADR	1,000	61,775	55,790	10
Glaxo Smith Kline PLC	2,720	149,193	142,446	10
Nestle S.A. ADR	1,070	77,685	101,710	10
Nokia Corp	7,630	111,298	214,479	10
Total Fina Sa Adr	1,000	67,597	80,980	10
Royal Caribbean Cruises	1,900	77,992	81,662	10
Abbott Laboratories	1,200	49,774	64,260	10
Allergan Inc	700	39,806	40,348	10
Altria Group Inc	700	33,332	49,098	10
American Express Co	1,000	43,171	61,180	10
American Intl Group Inc	900	64,772	63,027	10
Ameriprise Finl Inc	800	31,176	50,856	10
Bank Amer Corp	2,000	81,062	97,780	10
Bank New York Inc	1,800	78,246	74,592	10
CVS/Caremark Corp	3,685	82,845	134,318	10
Caterpillar Inc	1,050	70,750	82,215	10
Cisco Sys Inc	2,300	51,657	64,055	10
Colgate Palmolive Co	450	27,731	29,183	10
Conoco/Phillips	1,150	42,527	90,275	10
Costco Whsl Corp	500	28,615	29,260	10
Devon Energy Corp	700	44,030	54,803	10
Donnelly R R & Sons Co	2,000	76,566	87,020	10
Emerson Electric Co	900	27,752	42,120	10
Exelon Corp	1,200	69,099	87,120	10
Exxon Mobil Corp	1,850	93,793	155,178	10

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value
First Data Corp	1,400	33,420	45,738
Franklin Res Inc	550	37,885	72,859
Freeport-McMoran Copper & Gold Inc	536	33,012	44,392
Genentech Inc	650	56,544	49,179
General Elec Co	2,150	66,330	82,302
General Mills	1,100	52,932	64,262
Goldman Sachs Group Inc	450	57,948	97,540
Hewlett Packard Co	1,500	31,304	66,930
Home Depot Inc	700	25,298	27,545
Intel Corp	3,000	80,540	71,220
Johnson & Johnson	1,000	54,168	61,620
Kraft Foods Inc	484	10,426	17,061
Lam Research Corp	1,300	59,137	66,820
Lilly Eli & Co	900	64,110	50,292
Lockheed Martin Corp	400	35,032	37,652
Lowes Cos Inc	1,600	46,694	49,104
Marathon Oil Corp	1,900	74,043	113,924
Medtronic Inc	1,000	49,739	51,860
Merrill Lynch & Co Inc	650	55,798	54,327
Microsoft Corp	2,800	77,634	82,516
Network Appliance Inc	2,000	79,940	58,380
Newmont Mining Corp	700	26,698	27,342
Nike Inc	1,400	51,604	81,606
Nokia Corp	1,700	31,569	47,787
Northrop Grumman Corp	600	29,718	46,722
Nucor Corp	650	33,952	38,123
Pepsico Inc	1,250	68,452	81,063
Procter & Gamble Co	1,300	70,220	79,547
Prudential Finl Inc	400	30,260	38,892
Qualcomm Inc	650	31,727	28,204
Quest Diagnostics Inc	1,050	61,461	54,233
Schering-Plough Corp	1,450	28,986	44,138

Investment List

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair	
			Value	
Schlumberger Ltd Adr	700	44,023	59,458	10
Smith Intl Inc	850	24,365	49,844	10
Staples Inc	2,800	70,952	66,444	10
Stryker Corp	1,250	77,585	78,863	10
Target Corp	1,300	70,201	82,680	10
United Technologies Corp	1,150	72,976	81,570	10
V F Corp	900	50,270	82,422	10
Valero Refng & Marketing Co	500	28,660	36,930	10
Verizon Communications	650	24,274	26,761	10
Vulcan Materials Co	800	60,168	91,632	10
Wachovia Corp	1,250	68,570	64,063	10
Wells Fargo & Co	2,800	85,549	98,476	10
Community Trust Bank	442	0	20,350	
		9,705,772	12,080,673	
Real Estate:				
711, 801, 802, 803 W. Mississippi, Ruston, LA		310,333	310,333	
101, 103 Everett Street, Ruston, LA		91,057	91,057	
105, 107 Everett Street, 703 W. Mississippi, Ruston, LA		403,076	403,076	
906 California Street, Ruston, LA		65,738	65,738	
109 Everett Street, Ruston, LA		40,761	40,761	
102 Everett Street, Ruston, LA		106,989	106,989	
703 W. Mississippi, Ruston, LA		144,531	144,531	
Railroad bed-California Avenue, Ruston, LA		239,623	239,623	
Block 36-TKE House, Ruston, LA		221,974	221,974	
Beasley Property, Snubbs Addition		1,148,902	1,148,902	
406 Arizona Street, Ruston, LA		139,156	139,156	
707 W. Mississippi Avenue, Ruston, LA		145,047	145,047	
807 W. Mississippi Avenue, Ruston, LA		132,347	132,341	
College Street (Lautigar), Ruston, LA		719,667	719,667	

Investment List

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2007

Description	Shares or Units	Cost Basis	Fair Value
College Street (Nelson), Ruston, LA		395,655	395,655
613 West Alabama, Ruston, LA		345,242	345,242
619 West Mississippi, Ruston, LA		100,067	100,067
Land-Lincoln Parish			98,733
Total Real Estate		<u>4,750,165</u>	<u>4,848,892</u>
Total of Investments		\$ 47,862,472	\$ 52,811,269
Accrued interest included in restricted investments		47,570	47,570
Unfunded professorships and payables		<u>259,165</u>	<u>259,165</u>
Grand total of investments		<u>48,169,207</u>	<u>53,118,004</u>

OTHER REPORTS

HEARD McELROY & VESTAL

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August 7, 2007

The Board of Directors
Louisiana Tech University Foundation, Inc.
Ruston, Louisiana

Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

We have audited the financial statements of the Louisiana Tech University Foundation, Inc. (a nonprofit organization) as of and for the year ended June 30, 2007, and have issued our report thereon dated August 7, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana Tech University Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Tech University Foundation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Foundation are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Heard, McElroy & Vestal, LLP

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2007

We have audited the financial statements of the Louisiana Tech University Foundation, Inc. as of and for the year ended June 30, 2007, and have issued our report thereon dated August 7, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2007 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control - No material weakness or reportable condition was noted; no management letter was issued.

Compliance - No material noncompliance was noted.

b. Federal Awards - Louisiana Tech University Foundation, Inc. was not subject to a federal single audit for the year ended June 30, 2007.

Section II - Financial Statement Findings

No matters were reported.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2007

No matters were noted in the prior year.